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24 March 1952

MEMORANDUM FOR: Deputy Director (Administration)

THROUGH : Assistant Director, Personnel

FROM : Comptroller

SUBJECT : Staff Study Concerning Proposed Changes in Agency Leave Policies

1. I agree with that part of the attached paper which is confined to Agency leave policy, but recommend the deletion of paragraphs 3B(3), 4B(2), and 5B(2) as not being entirely germane to the subject of Agency leave policy. The above referred to paragraphs propose a fundamental change in governmental financial policy and concepts. In effect, they provide that public funds be used to grant personal loans to individuals, using accrued annual leave of the individual as collateral to secure such loans. Said loans to be repaid without interest over periods extending up to two (2) years.

2. I know of no precedent in the government for putting official funds to such use. Therefore, if a proposal is to be made to the Director to permit such loans, I believe that it should be in the form of a separate staff study which would cover the reasons and justification for CIA employees being granted this special privilege which is not afforded to employees of other government agencies, and an examination of alternative means of taking care of the problem such as the combined use of Credit Union and "Welfare Association" loans as used by the State Department.

3. If favorable consideration is being contemplated in connection with the advancing of funds against accumulated annual leave, I would suggest that the matter be referred to the Comptroller General for a decision before final action is taken.

5. This matter has been discussed with the Auditor-in-Chief, [redacted] who agrees with the above comments.

FPB:aks:ERS:aw

Signer's Copy

Attachment

E. R. SAUNDERS

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